

**MINUTES
CITY OF SAINT PAUL
COUNCIL MEETING
November 14, 2023**

I. CALL TO ORDER

Mayor Mercurief called the meeting to order at 9:26AM.

II. ROLL CALL

Council members present were Daniel Porath, Naomi Edenshaw, Joseph Kozloff, Heidi Mercurief, and Raymond Melovidov.

III. APPROVAL OF AGENDA

CM Porath MOVED to approve. Seconded by CM Melovidov. There were no comments or questions. Motion to approve was carried by a Voice vote with 6 Ayes.

IV. PERSONS TO ADDRESS THE COUNCIL

There was no one to address the council.

V. OLD BUSINESS

A. Second Reading and Public Hearing of Ordinance 23-05 - Revising and Amending Title 4 - Revenue and Finance, Chapter 4.25 - Sales Tax, 4.25.020 - Levy and collection of tax on alcohol, marijuana and tobacco

CM Edenshaw MOVED to approve. Seconded by CM Kozloff.

Would add an additional 5% tax to sale of alcohol, marijuana, and tobacco within the City of Saint Paul. As an additional tax it would require a 3rd reading, and a vote of the public within 30 days of council approval. It may create an additional \$20,000 to \$30,000 in new tax revenue from the sale of alcohol, and an estimated \$5,000 to \$15,000 in marijuana sales. Looking at potential \$15,000 to - \$50,000 in additional revenue.

Motion to approve was carried by Roll Call vote with 6 Ayes.

B. Second Reading and Public Hearing of Ordinance 23-06 - Amending the City Code of Ordinances to revise and amend Chapter 4.25 Sales Tax deleting subsection (E) from Sales Tax Exemptions

CM Kozloff MOVED to approve. Seconded by CM Edenshaw.

This lifts the sales tax exemption that has been in place on the sale of seafood by vessels 46 feet or less in length overall. Price and quota can generate an additional \$40,000 to \$50,000 to go towards the debt for the cost share on development of the small boat harbor.

Motion to approve was carried by Roll Call vote with 4 Ayes, an Abstain from CM Melovidov and a No from CM Porath.

C. Second Reading and Public Hearing of Ordinance 23-07 – Amending City Code of Ordinances by Adding Title 4 – Revenue and Finance, Chapter 4.35 – Rental Tax on Rental of Motor Vehicles

CM Porath MOVED to approve. Seconded by CM Edenshaw.

This adds an additional 8% tax to rental of vehicles. Possible exemptions for local business and residents were discussed, as well as the definition of a resident. Tax exemption standards would apply. Work needed on wording to lessen the local impact for next meeting. CM Melovidov suggested using addresses listed on articles of incorporation that have Saint Paul listed.

Motion to approve was carried by Roll Call vote with 6 Ayes.

D. Second Reading and Public Hearing of Ordinance 23-08 - Amending City Code of Ordinances by Adding Title 4 – Revenue and Finance, Chapter 4.40 – Room Tax

CM Porath MOVED to approve. Seconded by CM Edenshaw.

From the last meeting there was a change from 30 to 60 days to define short-term rental. Potential tax revenue is \$20,000 to \$30,000, capturing revenue from those coming to the island and visiting or doing business. Tax exemption standards would apply.

Motion to approve was carried by Roll Call vote of 6 Ayes.

E. Second Reading, Public Hearing and Adoption of Ordinance 23-09 - Amending the City Code of Ordinances by Adding Title 5 – Business Licenses and Regulations, Chapter 5.15 – Marijuana Regulations

CM Edenshaw MOVED to approve. Seconded by CM Melovidov.

This would allow for retail sales of marijuana and marijuana products. Language changes of police to law enforcement to make it general. Added restrictions included in state law; the beginning of ordinance makes references to state law, as it changes it will apply to ordinance. City administration will review applications. CM Melovidov commented that it'd be useful to have a map depicting the 500-foot radius of where a shop cannot be located as those would not be able to be licensed according to state statute. Deleted text on public transportation as it is not relevant for Saint Paul. The retail establishment fee for initial application is \$1000 and application and license fee is \$5000; renewal application is \$600 and renewal license are \$7000. The Control Board would not approve an application unless first approved by the local body, the City Council.

Motion to approve was carried by Roll Call vote of 5 Ayes with a No vote from CM Porath.

~Break taken at 10:18AM, Back on Record at 10:29AM

VI. NEW BUSINESS

A. First Reading of Ordinance 23-02 - An Ordinance of the City of Saint Paul for the First Revision of the Adopted Budget for the City of Saint Paul for the Fiscal Year January 1, 2023, through December 31, 2023

CM Melovidov MOVED to approve. Seconded by CM Kozloff.

Zavadil reviewed the proposed budget, provided in the council packet, for each City department and project. CM Melovidov asked about meter boxes that are supposed to be replaced. The City has them, and they need to be scheduled for installation. Update given on the USDA loan; hopeful to hear back within the week.

Motion to approve was carried by Roll Call vote of 6 Ayes.

B. Resolution 23-20 - A Resolution Authorizing a Cost of Living Adjustment for the City of Saint Paul Employees Employed in CY2024

CM Porath MOVED to approve. Seconded by CM Edenshaw.

This resolution authorizes a 3.2% COLA.

Motion to approve was carried by Roll Call vote of 6 Ayes.

C. Resolution 23-21 - A Resolution Revising the City of Saint Paul Wage and Salary Scale

CM Porath MOVED to approve. Seconded by CM Melovidov.

This approved COLA adjustment to the current wage and salary scale. Zavadil reviewed adjusted positions the City is not able to fund. The difference between COLA and a wage scale advance in step was reviewed. Outside the COLA, there is no room for wage increase.

Motion to approve was carried by Roll Call vote of 6 Ayes.

D. First Reading of Resolution 23-22 - A Resolution of the City of Saint Paul Approving the Refuse Rate Schedule for 2024

CM Melovidov MOVED to approve. Seconded by CM Edenshaw.

Zavadil provided some background and proposed a refuse rate increase of 25%. An alternative if not approved is to transfer from the General Fund which is already in a deficit. He researched and looked at comparative rates from individual communities throughout Alaska and there is no standard. To be eligible to get Village Safe Water funds, the City must participate in the Best Practices scoring process. Scores are based on various criteria such as providing a balanced budget, finances, meeting minutes, and others. To be eligible, the City must score a 60 or higher out of 100. Without the crab revenue the City is in a tough spot. It would be best to evaluate rates each year. The 25% increase would take the current rate from \$36.26 to \$45.32.

Motion to approve was carried by Roll Call vote of 4 Ayes with No votes from CM Porath and CM Edenshaw.

E. First Reading of Resolution 23-23 - A Resolution of the City of Saint Paul Approving the Water Rate Schedule for 2024

Mayor Mercurief MOVED to approve. Seconded by CM Edenshaw.

Zavadil gave background; there hasn't been a rate increase since 2018. With no crab season, Trident is not processing and utilizing water, that is a loss of revenue. This utility is \$50,000 in the hole with no rate increase. The City doesn't have a certified backup operator; we'd earn VSW points if we did. It takes about 1.5 years to get certification, Adrian recently got his level one certification.

Motion to approve was carried by Roll Call vote of 5 Ayes with a No vote from CM Porath.

Break taken at 11:36AM, Back on Record at 11:42AM

F. First Reading of Ordinance 23-10 - An Ordinance of the City of Saint Paul for the Establishment and Adoption of the Budget for the City of Saint Paul for the Fiscal (Calendar) Year January 1, 2024, through December 31, 2024

CM Edenshaw MOVED to approve. Seconded by CM Porath.

Zavadil reviewed the proposed budget which includes the 3.2% COLA increase, no merit increases, insurance copay, which has gone up, no donation funds for community events, and reduction in force.

Motion to approve was carried by Roll Call vote of 6 Ayes.

VII. EXECUTIVE SESSION

There was no Executive Session held.

VIII. NEXT MEETING DATES/TIMES/AGENDA ITEMS

A. December 12, 2023, at 9:00 am

IX. ADJOURNMENT

CM Edenshaw MOVED to adjourn. Seconded by CM Porath. Motion was carried by Voice vote with 6 Ayes. The meeting was adjourned at 11:52AM.

SUBMITTED BY:

APPROVED:

Aubrey Wegeleben, City Clerk

Date